

Risk Management Advisory Board
Minutes

Date/Time: Monday, November 14, 2016, 6:00 PM
Place: West Hartford Town Hall, Room #221

Members Present: Richard Roberts, chair; Charles Shimkus, Maureen Boyle-Henninger, John Davison, Albert Brenner
Staff Present: Susan Donatelli, Rick Ledwith, Peter Privitera
Guest: Christopher Kachmar, CFA, Fiduciary Investment Advisors

1. Minutes of the April 18th and September 12th Meetings

The minutes of the April 18th and September 12th meeting were approved as submitted.

2. Investment Results

Christopher Kachmar from Fiduciary Investment Advisors reviewed the investment performance of the Retiree Medical Fund for the third quarter of 2016. It was noted that third quarter performance was 0.3% below benchmark while year-to-date performance met the benchmark. In response to questions raised during discussion, it was agreed that a comparison of the fixed income duration with the benchmark duration would be provided in subsequent reports, that documentation regarding the statutory limits on investments would be provided at an upcoming meeting, and that a comparison of manager fees with the market would also be provided at an upcoming meeting.

3. Quarterly Health Benefits Report

Rick Ledwith reviewed the Health Benefits Report with the board. He noted that all teachers were now enrolled in a high-deductible plan with the Town funding 50% of the deductible amount in accordance with the terms of the most recently negotiated collective bargaining agreements. He observed that the decline in September health care claims appeared to be in direct response to the switch to the high deductible plan. The Board discussed various incentive programs to encourage employees to manage their health care costs more efficiently.

4. Risk Management Fund Results

This review was postponed to the January 2017 meeting.

5. Retiree Health Valuation

Peter Privitera and Rick Ledwith presented the Hooker & Holcombe report of the actuarial valuation of the non-pension retirement benefits. It was agreed that an in-depth review of the report would be conducted at the January 2017 meeting. The Board had a vigorous discussion about the reduction in discount rate from 7.75% to 7.50% noted in the executive summary of the report. In response to this discussion and the concerns voiced by several Board members that the discount rate was too high, it was agreed to invite the actuaries to attend the February RMAB meeting.

6. 2017 RMAB Appointment/Reappointment Status

Rick noted that the Board will have a vacancy with the expiration of John Davison's term at the end of 2016. The Board was unaware of any potential candidate for appointment to the vacant position. Members were encouraged to forward names and resumes of town residents with expertise in investments and a willingness to serve on the Board to Rick.

7. 2017 RMAB Operating Procedures and Objectives

Rick asked members to forward any comments regarding the Board's operating procedures or objectives to him before the January meeting.

8. Other

John Davison addressed the Board at the end of the meeting and thanked the Board members and the Town staff for their service and high level of professional expertise. He noted with satisfaction the exemplary level of the Town's risk management and Board oversight.

In response, Rick thanked John for his many years of service to the Town, and all present joined in thanking John and wishing him well in his retirement.

There being no further business, the meeting was adjourned at approximately 7:30 PM.

Respectfully submitted
Albert Brenner, RMAB secretary